



“Navigating the Future – Together”

Gary Swearingen, MAFMIC Chairman 2017-2018

It is with great pleasure and gratitude to be able to serve as the 2017-2018 MAFMIC Chairman. I have been blessed to be part of the best association in the state of Minnesota if not the whole USA. I thank you for your trust and opportunity to serve this association and its members. If we did not get a chance to visit at the great convention that was just completed, please feel free to make contact with me at future MAFMIC events.

I want to thank Aaron Grove for the fantastic job that he did as our chairman this past year and also to Deb Liden who just finished as past chair. They both did a great job leading MAFMIC and encouraging members to volunteer and participate in the many events and committees that are available through MAFMIC.

Navigating the Future – Together is my theme for my year as chairman of MAFMIC. I chose this as I have always enjoyed doing many types of navigating through my life such as trail running and traveling. Most importantly I have been able to navigate the insurance industry for the past 38 years. I have been a captive agent, an independent agent, agency owner and now a mutual insurance company manager as I have navigated this industry.

We as a mutual industry have a lot to navigate through as we deal with security and risk management, IT, managing budgets, building an effective workforce, marketing and internet competition for our customers such as peer to peer (Lemonade). These are just a few of the many items each mutual manager and director has to navigate through.

Through MAFMIC we can work together to address the challenges our mutual's are tackling every day-driving transformation and creating a successful industry of insurance to deliver an *experience* that our policyholders are looking for. Help us navigate the future by getting involved in the committees and attending the educational seminars.



Navigating the Future –Together

We can continue to make this association strong for the future leaders to lead.

Gary Swearingen, MAFMIC Chairman 2017 - 2018

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Member Profile - Gillford Mutual Insurance Company



Kelly Knutson
Manager

Gillford Mutual was founded in 1893 by local farmers for local farmers. Gillford Mutual Fire insurance offers farm owners and homeowner's insurance. We are a 67A township mutual that packages with Grinnell Mutual for wind, hail, liability and special form coverages.

Gillford Mutual is a smaller mutual with a manager and a processor. Kelly Knutson has been the manager since October 2009 and Julie Karlsrud has been the processor since August of 2013. We currently have 17 agents from eight different agencies that write with us within a seven county area in southeastern Minnesota.

Our mission is to provide affordable insurance to our policy holders based off of their specific needs and wants. It is very important to us that our policyholders understand what and where their risks are, as well as, the proper way to cover them, so as to provide peace of mind in the event they ever suffer a loss.

The future goals for Gillford Mutual would be continuing to offer the very best service and products to our policyholders. Making sure that we have the knowledge and understanding of what our insureds needs & wants are and being able to accommodate them at a fair competitive price. Growing at a small and steady pace is important as well.

Our biggest challenges are in the form of technology. Continuing to move forward in a manner that allows us to be able to work for and communicate with both the younger generation and the generation of insureds that have been policyholders for decades, can be challenging at the very least. We have found a good balance in our operation that benefits everyone.

We are involved in the community by donating to multiple organizations including the schools, 4-H programs, town festivals and we belong to the Chamber of Commerce.

If we were to describe our company in one word, that would be "honest".



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Priority Data would like to thank our 20 Township Mutual clients for their business. It is our pleasure to serve MAFMIC members and we look forward to supporting the Minnesota farm mutual industry for years to come.

Our Agent Rating software is currently being used in nearly every county in Minnesota; and we recently launched our latest cloud-based software, a fully customized policy processing system called PDSpectrum.

Contact Priority Data to see how our software solutions can fit your mutual's needs at info@prioritydata.com.

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February 2017 Board Meeting Synopsis

Greg Parent, Secretary-Treasurer

The MAFMIC Board of Directors held their annual financial review and board orientation meeting at the Radisson Blu Hotel in Bloomington on Sunday, February 5 during the convention. The primary focus of this meeting each year is to review and approve the financial statements from the previous year for distribution to the membership at the Annual Business Meeting. Secretary-Treasurer Greg Parent presented the 2016 financial statements. The board discussed several items and approved the financial report as presented. The financial report was then given to the membership at the annual meeting on Tuesday, February 7.

Chairman Aaron Grove recognized the retiring board members, Larry Webb of Bloomfield Mutual, Steve Reller of RAM Mutual, and Immediate Past-Chairman Deb Liden of Bray-Gentilly Mutual. Chairman Grove also welcomed the new incoming board members, Vicki Hongerholt of Mound Prairie Mutual and Todd Bossuyt of North Star Mutual. It was announced that Roger Miller of Lake Park & Cuba Mutual would be filling out the unexpired term for Karin Erickson in District 3. Chairman Grove recognized the new Vice Chairman Mark Nelson of Norwegian Mutual and set to begin his ninth term as Secretary-Treasurer, Greg Parent of German Farmers Mutual. The new board members officially assumed their positions at the annual meeting on February 7 while the vice chairman and secretary-treasurer were elected to their positions at the annual meeting.

Chairman-Elect Gary Swearingen announced his 2017-2018 MAFMIC committee liaison assignments. In accordance with the articles & bylaws, Gary Swearingen was elevated to the position of chairman at the annual meeting on February 7.

Dani Hennen provided a convention update while Aaron Cocking gave a legislative briefing and discussed the upcoming visit to the capitol during the convention. Dani Hennen also indicated she was working on a draft copy of the proposed MAFMIC farm mutual membership salary and board compensation survey.

The next scheduled board meeting is actually slated for the second quarter. Unless something was to come up in the meantime, the board is not planning on meeting in March. The second quarter board meeting will be held in Stillwater on June 14-15. Members are encouraged to contact their MAFMIC District Directors with any concerns or issues that may need to come before the board.

Greg Parent MAFMIC Secretary-Treasurer



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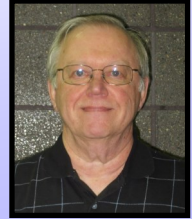
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Awards....Presentations....New PositionsCONGRATULATIONS!!

2017 Robert C. Seipp Service Award was presented to Dave Pederson, Farmers Mutual Manchester. This award is given in recognition of those individuals who have provided service and given generously of their time and expertise to promote a professional image for the ultimate benefit of the mutual insurance industry.

Congratulations Dave!!

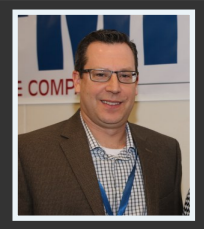


2017 Volunteer of the Year Award was presented by Aaron Cocking, MAFMIC President/CEO during the annual business meeting to Greg Parent, German Farmers Mutual. In appreciation of his commitment and service to the association.

We would like thank you for all of your dedication, time, commitment and effort. You truly make a difference to the MAFMIC organization!



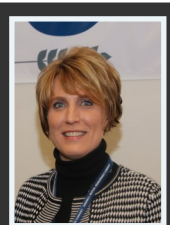
2017 MAFMIC Vice-Chairman
Mark Nelson, Manager of Norwegian Mutual, was elected vice chairman at the MAFMIC Annual Business Meeting. Congratulations Mark we wish you much success as you move through the chairs.



MAFMIC welcomes two New District Directors.

Todd Bossuyt, Senior Vice President of Underwriting, North Star Mutual, is replacing **Statewide Director, Steve Reller**, RAM Mutual

Vicki Hongerholt, Manager Mound Prairie Mutual replacing **District 7 Director, Larry Webb**, Bloomfield Mutual.



\$50 Survey Winner - Robin Herrley
Crocheted Table Cloth - Irene Iverson
\$250 CASH - Pat Nelson
\$150 CASH - JoAnne Wright
\$100 CASH - Barb Montonye

Retiring Directors for District 7 & Statewide Director



Larry Webb, (District 7), Bloomfield Mutual
Steve Reller (Statewide), RAM Mutual

Chairman Grove's Family



2017 MAFMIC CONVENTION

**Newly Elevated
MAFMIC Chairman
Gary Swearingen**



*MAFMIC Staff: Arlette Twedt, Administrative Assistant
Dani Hennen, Manager & Event Coordinator
Aaron Cocking, President & CEO*

REdiscover



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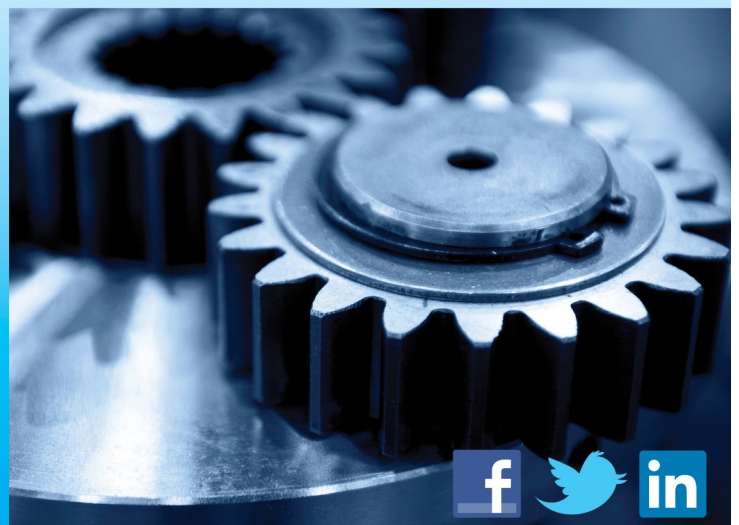
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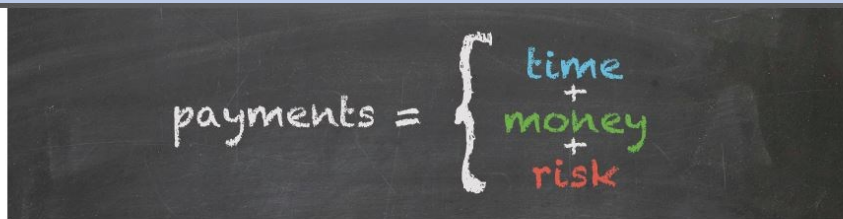
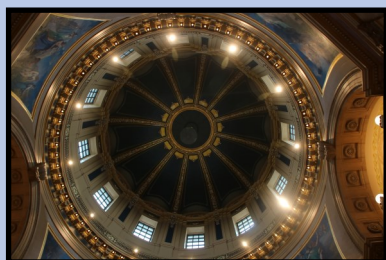
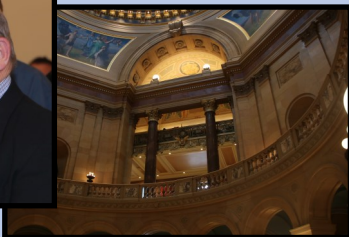
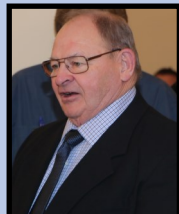




Aaron Cocking, MAFMIC President / CEO



St. Paul Capitol Visit



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2017 CONVENTION HIGHLIGHTS

Registration Desk

*Bill Iverson, Erica Johnson,
Sue Wischnewski, Dick
Swanson, Lori Anderson,
& Linda Jaskowiak*



*Chairman Grove family,
Sverdrup Mutual board & staff*

Family



*Aaron Thomas &
MAFMIC
Chairman Aaron
Grove*

*Coach Jerry Kill
and Grove family*



Sergeants-at-Arms

*David Frundt, Chris Adams, Connie
Jaskowiak, Sandy Walstrom,
Deb Liden, & Sharon Schmitz*



*Convention Management
Bert Tellers and Bill Minks*



MAFMIC CONVENTION HIGHLIGHTS



Auxiliary President Becky Knakmuhs welcomes newly-elevated Auxiliary President



Auxiliary Optional Session "Art & Elixir"

Aaron Cocking, RAM speaker: Rob Bell & Steve Knutson



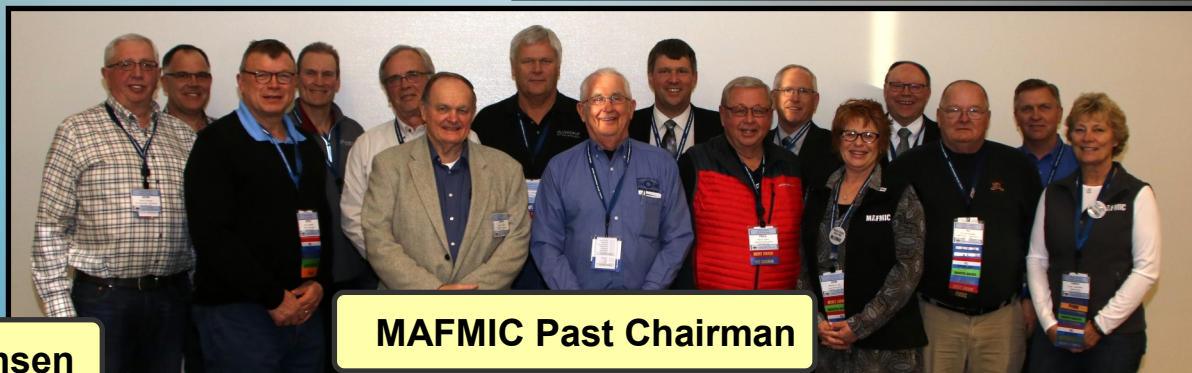
Kat Perkins, speaker & singer from "The Voice" spoke for the auxiliary.



Mikel Nelson, Vice-Chairman



Chaplain: Bricker Johnsen



MAFMIC Past Chairman



Century Companies

Celebrating
150
YEARS

Bird Island-Hawk
Creek Mutual
And Cokato Mutual

1892 -2017
125 Years

1867 -2017
150 Years

Chisago Lakes Mutual
German Farmers Mutual
Has San Lake Mutual



Mark Johnston, NAMIC Chairman -
Steven Linkous, Tim Sullivan, &
NAMIC President - Chuck Chamness



MAFMIC Executive Board & District Directors

Gary Swearingen, *MAFMIC Chairman*,
Has San Lake Mutual
Mikel Nelson, *MAFMIC Chairman - Elect*
Elmdale Mutual
Mark Nelson, *MAFMIC Vice Chairman*,
Norwegian Mutual
Greg Parent, *Secretary/Treasurer*,
German Farmers Mutual
Aaron Grove, *Immediate Past Chairman*,
Sverdrup Mutual
Kelly Halvorson, *District 1*, Vineland-Huntsville Mutual
Eric Johnson, *District 2*, Woodland Mutual
Roger Miller, *District 3*, Lake Park & Cuba
Carol Maciej, *District 4*, Mid-Minnesota Mutual
Jen Visser, *District 5*, Bird Island-Hawk Creek Mutual
Jan Helling, *District 6*, Madelia-Lake Crystal Mutual
Vicki Hongerholt, *District 7*, Mound Prairie Mutual
Todd Bussuyt, *Statewide*, North Star Mutual

Announcement

Financial Statements

Time again to collect your company's
Annual Statistical Financial Info
(fillable form)

and Annual Statement.

You can send them to:

PO Box 880, St. Joseph, MN 56374

or fax to: (320) 271-0912

DEADLINE: April 28th !!



Editorial Advisory Committee

Sandy Walstrom - *Chairman* - Farmers Mutual
Dan Baasen - Northland Securities
Ben Berg - Farmers Mutual of Clearwater
Jeff Brinkman - Brinkman Claim Service
James Doke - Priority Data
Vicki Hongerholt - Mound Prairie Mutual
Erica Johnson, Southeast Mutual
Dan McCue- Grinnell Mutual Reinsurance Co.
John Neal - Willenbring, Dahl, Wocken & Zimmerman
Jim Williams - Abdo, Eick & Meyers, LLC
Jan Helling - *Board Liaison* - Madelia -Lake
Crystal Mutual
Dani Hennen - *Staff Liaison* - MAFMIC
Arlette Twedt - *Staff Liaison* - MAFMIC

Thanks to our photographers



MAFMIC Chairman,
Aaron Grove,
Sverdrup Mutual



Dean Kenfeld,
RAM Mutual

Jonathon Troe,
Owatonna Mutual



2017 MAFMIC Spring Agents' Meeting

APRIL 5

Fergus Falls
Bigwood Event Center

APRIL 6

Mankato
Courtyard by Marriott

Application has been made to the Minnesota Department of Commerce for a **total of 6 hours** of non-company continuing education credits with **3 hours of Ethics and 3 hours Non-company**. (Approval Pending) No Partial Credit.

Seminar Schedule

8:30-9:00 am	Registration & Coffee
9:00-12:00 pm	Ethics for the Insurance Professional..... <i>Jacklyn Christian, Paul Davis Restoration</i>
12:00-12:45 pm	LUNCH
12:45-2:00 pm	Agency Company Relations <i>Larry Johnson, North Star Mutual</i>
2:00-2:15 pm	BREAK
2:15 – 3:30 pm	Equipment Breakdown <i>Bobbie Stokke, Mutual Boiler Re</i>
3:30 pm	Closing Announcements

Cost and Registration

For **Mutual Insurance Company Agents** the Early Bird registration fee is **\$98.00 before March 17th**.

However, the registration fee **after March 17th** is **\$125.00**.

For **Non-Township Mutual Agents** the seminar registration fee is **\$160.00**.

The registration fee **after the deadline** is **\$185.00**. Lunch and breaks will be provided.

Please complete the form below and return with payment to MAFMIC. **Registration deadline** is 10 days prior to the scheduled date of the meeting. **PLEASE NOTE:** You will be notified only if the location for which you registered is full or cancelled.

No other correspondence will be sent.

Cancellation Policy

- Cancellation notices received **on or before March 17th** are 75% refundable; **by March 31st** 50% refundable.
- No refunds will be made **after March 31st** ; however, you may substitute a participant at no additional charge.
- All registration cancellations and transfers must be made in writing and sent to info@mafmic.org or faxed to us.

2017 MAFMIC Spring Agents' Meeting Registration Form

Name _____ License Number _____

Home Address:

Agency Name & Address:

E-mail Address _____

Phone _____

Mutual(s)

Location Attending (Circle One):

Fergus Falls

Mankato



Mail

P.O. Box 880, St. Joseph, MN 56374



Fax

(320) 271-0912



Phone

(320) 271-0909

Financial Markets, Anything Changing?

Dan Baasen, Northland Securities

Well, it appeared at election time that the markets were looking for change and it indeed found it. It has been an interesting market for fixed income securities as many investors anticipated that the increase in the FED Funds interest rate in December of 2015 would continue with increases throughout 2016 beyond. A large number of Investment professionals projected as many as 5-6 additional increases would occur before last yearend. As it turned out, it wasn't until the end of the year that we would experience the next rise. By October, interest rates, as measured by the Ten Year Treasury Index (a common benchmark of township mutuals) were at a decade low 1.39%. It was the election in anticipation of another increase by the FED that drove market interest rate return for the 10 Year to over 2.5% in just a few weeks. Some investors thought "Here we go again."

So, what's new?

- A new Administration
- A new Congress
- Interest rates at near term highs
- Record breaking Stock Market
- Increased consumer confidence

What's business as usual?

- A low rate of inflation
- Unemployment still above normal at 4.8%
- Investment parameters for Township Mutuals; Statue 67A.231
- Directs toward a safe lending platform

Let us assume rates will continue to rise over the next 18 months. What investment strategy will protect our portfolios principles and provide liquidity needs that might arise? In fixed income investing, your "best friend" is the maturity date of the investment. Baring the failure of the issuer, the maturity date is the date you will be rewarded with your original investment.

You may be tempted to invest in a "Bond Fund" offering higher rates of return. That higher return is usually a portfolio that employs leverage to support that higher return. My experience is that trade of higher potential return by forfeiting the maturity date can lead to risk of principle. Typically, the value a bond in an environment of rising rates will increase as you get closer and closer to a maturity date.

Your next strategy will be to keep those maturities structured over a schedule of years, "ladder your dates." That way you should have bonds maturing every year to give you comfort that you shouldn't have to liquidate at a loss should your needs for liquidity arise. Stretching maturity dates to provide a modestly higher rate of return is not advisable.

Most township mutuals have a defined Investment Policy that outlines your risk tolerance and what are suitable investments. Stick with your Investment Policy in both rising and falling rate environments will reward you with a "sound sleep" at night.

Rising rates aren't all bad! Actually, the well laddered portfolio will be rewarded by having cash available when the opportunities for higher returns present themselves.

Have a prosperous New Year and embrace the opportunities that will present themselves in the New Year and beyond.

If you have concerns or just want an evaluation on what the effects of changing rates could do to your portfolio, please contact us. We would be happy to provide you with commitment free summary of where your portfolio is positioned for the changes ahead. 612-851-5916

The material and/or opinions by the author contained herein are based on data from sources we consider reliable; however, it is not guaranteed nor purported to be complete and is subject to change. Attached – RC 17-94

“How to protect your business when a tornado strikes.”

Dan McCue

Digital Marketing Strategist | Grinnell Mutual Reinsurance Company

How to protect your business when a tornado strikes

Having a carefully constructed survival plan for your business is your first line of defense when a tornado strikes. Your customers live on the edge of tornado alley — there were 37 tornadoes in 2016 alone, according to the Minnesota Department of Natural Resources. That’s why it’s wise to help your customers protect themselves from Mother Nature’s wrath.

Calm before the storm

Minnesota Severe Weather Awareness Week is April 17-21. Here are three steps your customers should take *before* a tornado touches down:

- 1. Be aware of the natural and technological hazards that can happen in your area.** As many as [40 percent](#) of small businesses never reopen after a major disaster, according to data from the Federal Emergency Management Agency. Human resources (who is affected), physical resources (what is affected), and business continuity (how is business affected) are all things for you to consider. ([Read more about creating a business continuity plan.](#))
- 2. Back up what matters.** Accounting, employee data, inventory, and customer records are all at risk for being irreparably damaged or lost during a natural disaster. Keeping a backup of this information in a location at least 50 miles away can help ensure that your business’ confidential information is safe.
- 3. Develop an emergency evacuation and shelter plan.** The [Disaster Assistance Improvement Program](#) advises being familiar with your surroundings, understanding evacuation routes, and learning how to shelter in place if you can’t vacate the property.

If you do suffer a tornado loss

Grinnell Mutual’s [Business Continuity Plan](#) can help guide business owners on how to remain open in the face of disaster. Cross-training staff, identifying alternative suppliers, and having an alternate location are all helpful in the aftermath of a catastrophic event.

For more information

For a comprehensive Site Safety Plan, visit the [National Institute for Occupational Safety and Health \(NIOSH\)](#). Learn more about Grinnell Mutual’s loss prevention services at [Preventing Losses on grinnellmutual.com](#).

 <p>SEVERE WEATHER AWARENESS WEEK</p>	<p>Minnesota Severe Weather Awareness Week 2017</p> <p>April 17-21</p>	 <p>Tornado Drill</p>
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2017 MAFMIC Calendar of Events

April 5	Spring Agent's Meeting	Fergus Falls, MN
April 6	Spring Agent's Meeting	Mankato, MN
April 26-27	CCP Visit	Washington D.C.
May 9-10	Manager's Workshop	Nisswa, MN
May 23-25	NAMIC Farm Mutual Forum	Itasca, IL
July 12	Manager & Director Seminar	St. Joseph, MN
July 13	MAFMIC Golf Outing	Spicer, MN
August 2-3	Leadership Workshop (NAMIC)	Chicago, IL
Sept 25-28	NAMIC 122nd Annual Convention	Denver, CO
Nov 15-16	MAFMIC Short Course	Marriot NW, Brooklyn Park



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